TENNESSEE STATE FUNDING BOARD AUGUST 13, 2015 AGENDA

- 1. Call meeting to order
- 2. Approval of minutes from the June 23, 2015, State Funding Board meeting
- 3. Report from the Department of Economic and Community Development (ECD) for approval of funding for the following projects:

Resolute Forest Products US, Inc. – Calhoun (McMinn Co.) FastTrack Job Training Assistance	\$ 787,500
Gestamp Chattanooga, LLC – Chattanooga (Hamilton Co.) FastTrack Economic Development	\$5,500,000
■ De-Sta-Co Industries – Mt. Juliet (Wilson Co.) FastTrack Economic Development	\$ 580,000
FastTrack Job Training Assistance	\$ 420,000
 ARC Automotive, Inc. – Harstville (Trousdale Co.) 	
FastTrack Economic Development	\$ 272,100
FastTrack Job Training Assistance	\$ 132,000
FastTrack Infrastructure Development	\$ 263,900

- 4. Consideration and approval of a "Resolution to Amend the Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel a Like Amount of Bond Authorized for That Purpose"
- Consideration and approval of a "Resolution Allocating from the Debt Service Fund to the Capital Projects Fund \$440,064.00 and Canceling a Like Amount of Bonds Authorized for That Purpose"
- 6. Consideration of recommendation to select the remarketing agent for the State of Tennessee commercial paper program
- 7. Report and discussion on funding policies received from local government entities as required by "The Public Employee Defined Benefit Financial Security Act of 2014" (PA2014 CH990)
- 8. Adjourn

TENNESSEE STATE FUNDING BOARD June 23, 2015

The Tennessee State Funding Board (the "Board") met on Tuesday, June 23, 2015, at 10:30 a.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee. The following members were present:

The Honorable Tre Hargett, Secretary of the State of Tennessee The Honorable Justin Wilson, Comptroller of the Treasury The Honorable David Lillard, State Treasurer Commissioner Larry Martin, Department of Finance and Administration

The following members were absent: The Honorable Bill Haslam, Governor

Seeing a physical quorum present, Mr. Wilson called the meeting to order and asked for approval of the minutes from the May 26, 2015, Board meeting. Mr. Hargett made a motion to approve the minutes. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Allen Borden, Assistant Commissioner, Department of Economic and Community Development ("ECD"), to present FastTrack projects for consideration and Mr. Paul VanderMeer, Senior Financial Advisor, ECD, to present the FastTrack funding report. Mr. VanderMeer reported that, as of the date of the last Board meeting, the FastTrack balance was \$113.1 million and since that time \$3 million in funds had been deobligated and returned to the FastTrack program and \$1.3 million in new loans had been approved, which left an adjusted FastTrack balance available for funding grants or loans of \$114.8 million as of today's meeting. Mr. VanderMeer reported that there were \$101.4 million in commitments, resulting in an uncommitted FastTrack balance of \$13.4 million. Mr. VanderMeer reported that the projects to be considered at this meeting totaled \$3.3 million, and if these projects were approved, the uncommitted balance would be approximately \$10.1 million, or 91.2 % of FastTrack funds committed.

Mr. Borden stated that the projects were being presented to the Board because state law required that FastTrack projects in amounts exceeding \$750,000 per eligible business within any three-year period be reviewed and approved by the Board. Mr. Borden then presented the following FastTrack projects:

UBS AG – Franklin (Williamson Co.)

FastTrack Economic Development \$1,074,000

• Royal Mouldings Limited – Bristol (Sullivan Co.)

FastTrack Economic Development \$2,000,000

Nissan North America – Decherd (Franklin Co.)

FastTrack Infrastructure Development \$ 228,000

Mr. Wilson stated that the Board received a signed letter from Mr. Randy Boyd, Commissioner of ECD, which stated that the projects met all the statutory requirements, and a signed FastTrack Checklist for each of the projects under consideration. Mr. Wilson inquired if the information contained in the letter and checklists was true and correct, and if the signature was that of Commissioner Boyd. Mr. Borden responded

affirmatively. Mr. Hargett made a motion to approve the FastTrack grants for the projects presented. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Ralph Perry; Executive Director of the Tennessee Housing Development Agency ("THDA") and Mr. Trent Ridley; Chief Financial Officer of THDA, who presented for approval THDA's Schedule of Financing for Fiscal Year 2015-16 (the "Schedule"). Mr. Perry stated that the Schedule was previously approved by THDA's Bond Finance Committee and Board of Directors. Mr. Wilson made a motion to approve the Schedule. Mr. Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then recognized Mr. Andy Palmer, Deputy Chief Investment Officer of the Tennessee Department of the Treasury, who presented a letter from the Tennessee Consolidated Retirement System ("TCRS") affirming that TCRS does not intend to exercise its option to cancel the agreement to serve as standby purchaser for the State of Tennessee's (the "State") General Obligation commercial paper during fiscal year 2015-16. Mr. Wilson stated that in response, the Board would notify TCRS of the Board's intent not to exercise its option to cancel the agreement for the fiscal year 2015-16. Mr. Lillard made a motion to accept the letter from TCRS and approve the draft of the affirmation letter from the Board to TCRS and to ratify the signature of the Secretary of the Board on the document. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Palmer then presented a proposed Liquidity Guarantee Fee Schedule to be effective for fiscal year 2015-16 pursuant to the standby purchase agreement. The agreement states that these fees are to be renegotiated each year. Mr. Palmer stated that TCRS had surveyed providers and reviewed the municipal bond market to determine reasonable fees. Mr. Palmer stated that the proposed fees were as follows:

- 30 basis points (bps) if the highest rating by Moody's or Standard & Poor's is AAA
- 45 bps if the highest rating by Moody's or Standard & Poor's is AA
- 70 bps if the highest rating by Moody's or Standard & Poor's is A

Mr. Palmer noted that this was an increase of 5 bps from the fees in place for the 2014-15 fiscal year. He clarified that the increase was justified as a result of changes in the regulation surrounding such a service and the availability of providers in the market, not the result of any change in the State's rating. Mr. Wilson stated that the Comptroller's Office had also conducted independent research and consulted with PFM, the Board's financial advisor. He further stated that staff agreed that the fees presented by Mr. Palmer appeared to be fair and reasonable. Mr. Wilson made a motion to approve the Liquidity Guarantee Fee Schedule as presented. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Allocating Funds To Defray A Portion Of The Cost Of Highway Bridge Construction Projects And To Cancel A Like Amount Of Bonds Authorized For That Purpose" in the amount of \$29,100,000. Mr. Wilson made a motion to approve the Resolution. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Authorizing the Allocation of Funds to the Sinking Fund for the 2015-16 Fiscal Year." Commissioner Martin made a motion to approve the Resolution. Mr. Mr. Hargett seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Authorizing the Issuance of General Obligation Bonds of the State of Tennessee." Mr. Wilson made a motion to approve the Resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson the presented for approval a "Resolution Canceling \$7,000,000 of Authorized Bonds." Mr. Hargett made a motion to approve the Resolution. Mr. Lillard seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval a "Resolution Allocating Funds To Defray A Portion Of The Cost Of Highway Construction Projects And To Cancel A Like Amount Of Bonds Authorized For That Purpose" in the amount of \$85,800,000. Mr. Lillard made a motion to approve the Resolution. Commissioner Martin seconded the motion, and it was unanimously approved.

Mr. Wilson then presented for approval the Other Post-Employment Benefits ("OPEB") Trust for the Germantown Board of Education. Mr. Wilson stated that the OPEB Trust met statutory requirements. Mr. Hargett made a motion to approve the OPEB Trust. Commissioner Martin seconded the motion, and it was unanimously approved.

adjourned the meeting.
Respectfully submitted,

Sandra Thompson Assistant Secretary



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

RANDY BOYD COMMISSIONER

BILL HASLAM GOVERNOR

August 13, 2015

Comptroller Justin Wilson First Floor, State Capitol Nashville, TN 37243

Dear Comptroller Wilson:

The Department of Economic & Community Development (the "Department") seeks approval by the State Funding Board (the "Board") pursuant to T.C.A. § 4-3-717(a) authorizing FastTrack infrastructure, training and economic development grants where there is a commitment by an eligible business to create or retain private sector jobs or engage in private investment or where the Commissioner of Economic and Community Development determines that such investment will have a direct impact on employment and investment opportunities in the future. The following projects meet the statutory requirements and the Department presents these projects to the Board pursuant to the mandates of T.C.A. § 4-3-717(e), which requires approval of grants and loans under the FastTrack Infrastructure Development Program, the FastTrack Job Training Assistance Program, and the FastTrack Economic Development Program that exceed \$750,000 per eligible business within a three (3) year period.

Resolute Forest Products US, Inc. - Calhoun (McMinn County) 1.

Resolute Forest Products US, Inc. is a major manufacturer of paper products. The company plans to build an expansion at their Calhoun facility. The operation will be a multi-functional facility for their paper products. The Company will have an average wage rate of \$31.56 per hour for the new positions.

Resolute Forest Products US, Inc. has committed to create 105 new jobs and to make a \$270,000,000 capital investment within five years.

FastTrack Job Training Assistance Program funds will be used to train the new workforce. (\$787,500)

Total FastTrack funds for this project - \$787,500

2. Gestamp Chattanooga, LLC - Chattanooga (Hamilton County)

Gestamp Chattanooga, LLC is a major Tier 1 supplier of automotive parts. The company plans to expand their Tennessee operation. The operation will increase its manufacturing operation. The Company will have an average wage rate of \$17.09 per hour for the new positions.

Gestamp Chattanooga, LLC has committed to create 510 new jobs and to make a \$180,155,000 capital investment within five years.

FastTrack Economic Development Program funds will be used to assist the project with construction and improvements for the new expansion in Hamilton County. (\$5,500,000)

Total FastTrack funds for this project - \$5,500,000

3. De-Sta-Co Industries – Mt. Juliet (Wilson County)

De-Sta-Co Industries is a major manufacturer of material handling clamps and vises. They will locate in a new facility in Wilson County. The Company will have an average wage rate of \$22.10 per hour for the new positions.

De-Sta-Co Industries has committed to create 245 new jobs and to make a \$20,157,989 capital investment within five years.

FastTrack Economic Development Program funds will be used to assist the project with improvements to the facility and equipment relocation. (\$580,000)

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. (\$420,000)

Total FastTrack funds for this project - \$1,000,000

4. ARC Automotive, Inc. – Hartsville (Trousdale County)

ARC Automotive, Inc. is a manufacturer of automotive parts. The company plans to expand their Tennessee operations. This manufacturing operation will increase its airbag inflator production. The Company will have an average wage rate of \$13.12 per hour for the new positions.

ARC Automotive, Inc. has committed to create 66 new jobs and to make a \$2,890,750 capital investment within five years.

FastTrack Economic Development Program funds will be used to assist the project with construction and improvements for the new expansion in Trousdale County. (\$272,100)

Comptroller Justin Wilson August 13, 2015 Page 3

FastTrack Job Training Assistance Program funds will be used to train the new workforce needed for the expansion. (\$132,000)

FastTrack Infrastructure Development Program funds will be used for sewer and water improvements. Funds will be provided through Trousdale County. (\$263,900)

Total FastTrack funds for this project - \$668,000

In conclusion, I would like to thank the Board for its assistance and continued support of ECD as we strive to create job opportunities for the citizens of our State.

Sincerely,

Randy Boy

RB:js

State Funding Board FastTrack Checklist

RECIPIENT ENTITY

GRANT

AMOUNT

LOAN

AMOUNT

 \boxtimes

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T C A § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING

INFRASTRUCTURE

Applicant must answer "Yes" to a or b.

the commissioner's rationale.

	TRAINING*	Resolute Forest Products US, Inc.	\$787,500		
	ECONOMIC DEVELOPMENT				
	TOTAL		\$787,500		
•ELI	business beneficiary [for training	•	subdivision of the state,	or an eligib	le
Con Stat	nplete the General Statutory Complia tutory Compliance items apply to all t	nce section below and the section(s) that corresponds with the type ypes of funding represented above.	of funding indicated abo	ove. Genera	ıl
<u>GEN</u>	NERAL STATUTORY COMPLIANCE				
1.	If "yes," state funding board concurr	FastTrack appropriations to be over-committed T.C.A. § 4-3-716(g) ence is required. Attach the commissioner's rationale used to detented to be accepted based on historical program trends (maximum also for new grants).	mine the	☐ Yes	⊠ No
2.		eopardy compliance with the legislative intent that actual expenditure and of the fiscal year not exceed available reserves and appropriation		☐ Yes	⊠ No
3.	Does this grant or loan comply with the extent practicable T C.A. § 4-3-7	the legislative intent to distribute FastTrack funds in all areas of the 71600%	state to	⊠ Yes	□ No
4.	administration (with copies transmitt the chairs of the finance, ways and	and community development provided to the commissioner of finance ted to the speaker of the house of representatives, the speaker of the means committees, the state treasurer, the state comptroller, the off secretary of state) the most recent quarterly report regarding the state of T.C.A. § 4-3-716(h)?	e senate, ice of	⊠ Yes	□ No
lden 5.	ntify which of the following apply: a. Does the business export more $T CA S +3-717(h)(1)(A)$?	e than haif of their products or services outside of Tennessee		⊠	
	b. Do more than half of the busine <i>T.C.A.</i> § 4-3-717(h)(1)(B)?	ess' products or services enter into the production of exported produ	cts		
		lucts primarily result in import substitution on the replacement of imperpolation the state $T.C.A$	orted		
	d. Has the commissioner of econ	omic and community development determined the business has other	ar types of		

economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § J-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.

Is there a commitment by a responsible official in an eligible business for the creation or retention of private

Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach

sector jobs and investment T.C.A § 4-3-717(a)? If "yes," attach documentation.

	١N		

7.	Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?	🛭 Yes	□ No
8	Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes <i>T.C.A. § 4-3-717(c)(2)?</i>	Yes	⊠ No
INF	RASTRUCTURE		
9	Is the land to be improved publicly ewned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? $T CA = \frac{5}{4} \cdot 3 \cdot 7 \cdot 17 \cdot (b)(2-3)$?	☐ Yes	□ No
16	is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state $T \in A \setminus \{4.3.717(d)(1)\}$?	☐ Yes	□ No
11,	In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?	☐ Yes	□ No
Арр 12.	a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?		
	b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes." attach the commissioner's rationale.		
EC	ONOMIC DEVELOPMENT		
	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state T.C.A. § 4-3-717(d)(1)?	☐ Yes	□ No
14.	Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds $\mathcal{T} \subset A \setminus \S$ 4-3-717(d)(1)?	☐ Yes	□ No
15	Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?	☐ Yes	□ No
16	Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community $T.C.A. \S d-3-717(d)(1)$? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.	☐ Yes	□ No
17.	The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used $T CA$. § 4-3-717(d)(2). Attach documentation.		
	ave reviewed this document and believe it to be correct. 8-5-/5		
Z	mmissioner of Economic and Community Development Date		



May 28, 2015

INCENTIVE ACCEPTANCE FORM

ECD OFFER SUMMARY

FastTrack Job Training Grant:

\$ 787,500

Total ECD Commitment:

\$ 787,500

Company Commitment:

105 New Full-Time Positions \$ 270,000,000 Capital Investment

Please sign your name in the space below to signify Resolute Forest Products US Inc.'s acceptance of ECD's offer set forth above and return it by <u>August 28, 2015</u> to:

Tennessee Department of Economic and Community Development Attn: Jordan Taylor Sloan 312 Rosa Parks Avenue, 27th floor Nashville, TN 37243 jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

Signature:

(Authorized Representative of Company)

Date: 7/27/2015



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

RANDY BOYD
COMMISSIONER

BILL HASLAM GOVERNOR

August 13, 2015

Comptroller Justin Wilson First Floor, State Capitol Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated§4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding an Economic Development Grant to the Industrial Development Board of Hamilton County for the benefit of Gestamp Chattanooga, LLC in the amount of \$5,500,000 to assist the company with construction and improvements for the new facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of new jobs and substantial capital investment. Gestamp Chattanooga, LLC has committed to create 510 new jobs and to make a \$180,155,000 capital investment within five years. The company will have an average wage of \$17.09 per hour for the new positions. This project will have an exceptional impact due to the number of new jobs being created and large capital investment being made by the company.

Sincerely,

Randy Boyo

State Funding Board FastTrack Checklist

RECIPIENT ENTITY

LOAN AMOUNT

GRANT

AMOUNT

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval T.C A. § 4-3-717(e).

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING

INFRASTRUCTURE

	TRAINING*				
	ECONOMIC DEVELOPMENT	The Industrial Development Board of Hamilton County	\$5,500,000		
	TOTAL		\$5,500,000		
•ELI	business beneficiary (for training	government, their economic development organization, a political sub only].) different than Recipient Entity): <u>Gestamp Chattanooc</u>		e, or an eligibl	e -
	nplete the General Statutory Compliand tutory Compliance items apply to all type	e section below and the section(s) that corresponds with the type of the section is softened above.	funding indicated at	oove. Genera	1
GEI	NERAL STATUTORY COMPLIANCE				
1.	If "yes," state funding board concurren	astTrack appropriations to be over-committed $T.C.A. \S 4-3-716(g)$? ce is required. Attach the commissioner's rationale used to determiny to be accepted based on historical program trends (maximum allower new grants).		☐ Yes	⊠ No
2.		pardy compliance with the legislative intent that actual expenditures a d of the fiscal year not exceed available reserves and appropriations		☐ Yes	⊠ No
3.	Does this grant or loan comply with the the extent practicable T.C.A. § 4-3-716	e legislative intent to distribute FastTrack funds in all areas of the sta $5(\hbar)$?	te to	⊠ Yeş	□ No
4.	administration (with copies transmitted the chairs of the finance, ways and me	d community development provided to the commissioner of finance at the speaker of the house of representatives, the speaker of the speaker o	enate, of	⊠ Yes	□ No
lder 5.	ntify which of the following apply: a. Does the business export more to T.C A § 4-3-717(h)(1)(A)?	han half of their products or services outside of Tennessee		⊠	
	b Do more than half of the busines T C A § 4-3-717(h)(1)(B)?	s' products or services enter into the production of exported products	i		
	 Does the use of business' product products or services with those p 	ts primarily result in import substitution on the replacement of import roduced in the state T.C.A. § 4-3-717(h)(1)(C)?	ed		
	economic activity that contributes	hic and community development determined the business has other to significantly to community development education and has a benefit $T.C.A. \S 4-3-717(h)(1)(D)$? If "yes," attach the commissioner's rate	cial		
Apr 6	plicant must answer "Yes" to a <u>or</u> b. a Is there a commitment by a responsector jobs and investment T.C.A.	onsible official in an eligible business for the creation or retention of parts $4.3-717(a)$? If "yes," attach documentation.	rivate	⊠	
	b. Has the commissioner of economic direct impact on employment and	nic and community development determined that this investment will investment opportunities in the future $T.C.AS.4-3-717(a)$? If "yes,"	have a attach		

	INI	

7.	Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?	☐ Yes	□ No
8.	with grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes T.C.A. § 4-3-717(c)(2)?	☐ Yes	□ No
INF	RASTRUCTURE		
9.	Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? T.C.A. § 4-3-717(b)(2-3)?	☐ Yes	□ No
10.	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state <i>T.C.A. § 4-3-717(d)(1)?</i>	☐ Yes	□ No
11,	In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?	☐ Yes	□ No
	a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?		
	b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.		
ECC	PHOMIC DEVELOPMENT		
13.	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state <i>T.C.A. § 4-3-717(d)(1)?</i>	⊠ Yes	□ No
14.	Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds T.C.A. § 4-3-717(d)(1)?	☐ Yes	⊠ No
15.	Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?	⊠ Yes	□ No
16.	Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community $T.C.A. \S 4-3-717(d)(1)$? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.	⊠ Yes	□ No
17,	The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used $T.C.A. \ \S 4-3-717(d)(2)$. Attach documentation.		
1	we reviewed this document and believe it to be correct. $8-6-75$		
CON	missioner of Economic and Community Development Date		



April 16, 2015

INCENTIVE ACCEPTANCE FORM

ECD OFFER SUMMARY

FastTrack Grant*: \$5,500,000
Total ECD Commitment: \$5,500,000

*The grant may be allocated using a FastTrack Training, FastTrack Infrastructure, or FastTrack Economic Development Grant, based on the company's needs as determined by ECD.

Company Commitment: 510 New Full-Time Positions

\$180,155,000Capital Investment

Date: 6/15/15

Please sign your name in the space below to signify Gestamp Chattanooga, LLC's acceptance of ECD's offer set forth above and return it by <u>July 16</u>, 2015 to:

Tennessee Department of Economic and Community Development Attn: Jordan Taylor Sloan 312 Rosa Parks Avenue. 27th floor Nashville, FN 37243 jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

Signature

3



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

RANDY BOYD

BILL HASLAM GOVERNOR

August 13, 2015

Comptroller Justin Wilson First Floor, State Capitol Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated§4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding an Economic Development Grant to the City of Mt. Juliet, Tennessee for the benefit of De-Sta-Co Industries in the amount of \$580,000 to assist the company with construction and improvements for the new expansion. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of new jobs and substantial capital investment. De-Sta-Co Industries has committed to create 245 new jobs and to make a \$20,157,989 capital investment within five years. The company will have an average wage of \$22.10 per hour for the new positions. This project will have an exceptional impact on this area of the State.

Sincerely,

Randy/Boyd

State Funding Board FastTrack Checklist

RECIPIENT ENTITY

De-Sta-Co Industries

LOAN AMOUNT

GRANT AMOUNT

\$420,000

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval $T.C.A. \S 4-3-717(e)$

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING

INFRASTRUCTURE

the commissioner's rationale.

TRAINING*

		20 000 00 110000100	4-720,000		
	DEVELOPMENT	City of Mt. Juliet	\$580,0 00		
	TOTAL		\$1,000,000		
.Eru	business beneficiary (for training o	overnment, their economic development organization, a political sunly].) fferent than Recipient Entity):		or an elígib	le —
Com State	nplete the General Statutory Compliance utory Compliance items apply to all types	section below and the section(s) that corresponds with the type of of funding represented above.	funding indicated abo	ve. Genera	n!
GEN	VERAL STATUTORY COMPLIANCE				
1	If "yes," state funding board concurrence	stTrack appropriations to be over-committed $T.C.A.\S.4-3-716(g)$? e is required. Attach the commissioner's rationale used to determit to be accepted based on historical program trends (maximum altor new grants).	ne the wed is	☐ Yes	⊠ No
	Will this new commitment place in jeopa obligations to be recognized at the end programs $T.C.A. \S 4-3-716(g)$?	ordy compliance with the legislative intent that actual expenditures of the fiscal year not exceed available reserves and appropriations	and of the	☐ Yes	⊠ No
3.	Does this grant or loan comply with the the extent practicable $T\ C\ A\ \S\ 4\text{-}3\text{-}716$	legislative intent to distribute FastTrack funds in all areas of the state? η ?	ate to	⊠ Yes	□ No
	administration (with copies transmitted the chairs of the finance, ways and mea	community development provided to the commissioner of finance of the speaker of the house of representatives, the speaker of the sins committees, the state treasurer, the state comptroller, the office etary of state) the most recent quarterly report regarding the status C.A. § 4.3-716(h)?	enate.	⊠ Yes	□ No
	ntify which of the following apply: a. Does the business export more that T C A § 4-3-717(h)(1)(A)?	in half of their products or services outside of Tennessee		×	
	b Do more than half of the business' T G A § 4-3-717(h)(1)(B)?	products or services enter into the production of exported products	S		
		s primarily result in import substitution on the replacement of imporeduced in the state $T.C.A. \S 4-3-717(h)(1)(C)$?	led		
	economic activity that contributes :	c and community development determined the business has other significantly to community development education and has a benefit <i>T.C.A. § 4-3-717(h)(1)(D)?</i> If "yes," altach the commissioner's ra	icial		
	allicant must answer "Yes" to a <u>or</u> b. a Is there a commitment by a resporsector jobs and investment T.C.A.	isible official in an eligible business for the creation or retention of $\S 4-3-717(a)$? If "yes," attach documentation.	orivate	⊠	

Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment opportunities in the future T C.A. § 4-3-717(a)? If "yes," attach

-			
TR	ДΙ	NI	NU

7.	Will the grant support the training of new employees for locating or expanding industries T.C.A. § 4-3-717(c)(1)?	Yes	□No
8.	Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes $T.C.A. \S 4-3-717(c)(2)$?	☐ Yes	⊠ No
INF	RASTRUCTURE		
9	Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? $T CA = \frac{6}{3} 4-3-717(b)(2-3)$?	☐ Yes	□ No
10.	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state $TCA \le 4-3-717(d)(1)$?	☐ Yes	□ No
11.	In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates T.C.A. § 4-3-717(f)?	☐ Yes	□ No
	a. Will the grant or loan address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?	0	
	b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T C A § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.		
<u>EÇ</u>	ONOMIC DEVELOPMENT		
13	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state $T.C.A§4-3-717(d)(1)$?	⊠ Yes	□ No
14	Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds $\mathcal{TCA} = \S 4-3-717(d)(1)$?	☐ Yes	⊠ No
15	Will this grant or loan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?	⊠ Yes	□ No
16.	Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community $T.C.A$	⊠ Yes	□ No
17.	The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used $T \in A - \S(4-3.717(d)/2)$. Attach documentation		
l ha	ave reviewed this document and believe it to be correct		
Co	mmissioner of Economic and Community Development 8-5-/5 Date		



Department of Economic and Community Development

Randy Boyd Commissioner Bill Haslam Governor

July 29, 2015

INCENTIVE ACCEPTANCE FORM

This form serves as notice that De-Sta-Co Industries intends, in good faith, to create 245 private sector jobs and make a capital investment of \$20,157,989 in exchange for incentives that will be memorialized in a grant agreement between De-Sta-Co Industries and the State of Tennessee.

FastTrack Job Training Grant:

420,000

FastTrack Economic Development Grant:

580,000

Total ECD Commitment:

\$ 1,000,000

Please sign your name in the space below to signify De-Sta-Co Industries's acceptance of ECD's offer set forth above and return it by October 29, 2015 to:

Lennessee Department of Economic and Community Development Attn: Jordan Taylor Sloan 312 Rosa Parks Avenue, 27th floor Nashville, TN 37243 jordan.tavlorsioanta tu.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

Signature:

Date: 7/29/2015

(Authorized Representative of Company)



DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

RANDY BOYD
COMMISSIONER

BILL HASLAM GOVERNOR

August 13, 2015

Comptroller Justin Wilson First Floor, State Capitol Nashville, TN 37243

Dear Comptroller Wilson:

Pursuant to Tennessee Code Annotated §4-3-717 (d)(1)-(2), I am writing to inform you that the Department of Economic and Community Development is awarding an Economic Development Grant to the Metropolitan Government of Trousdale County for the benefit of ARC Automotive, Inc. in the amount of \$272,100 to assist the company with construction and improvements for the new facility. The project activities would not be eligible for the FastTrack Infrastructure Development Program.

This project will yield a proportionately significant impact on the community due to the number of new jobs and substantial capital investment. ARC Automotive, Inc. has committed to create 66 new jobs and to make a \$2,890,750 capital investment within five years. The company will have an average wage of \$13.12 per hour for the new positions. This project will have an exceptional impact on this rural area of the State.

Sincerely,

Randy **Boy**d

State Funding Board FastTrack Checklist

FastTrack grants or loans exceeding seven hundred fifty thousand dollars (\$750,000) per eligible business within a three-year period require state funding board approval $T.C.A. \S.4-3-717(e)$

Please identify the type of FastTrack funding requested and the grant or loan amount:

TYPE OF FUNDING	RECIPIENT ENTITY	GRANT AMOUNT	LOAN AMOUNT
INFRASTRUCTURE	Metropolitan Government of Trousdale County	\$263,900	
TRAINING*	ARC Automotive, Inc.	\$132,000	
ECONOMIC DEVELOPMENT	Metropolitan Government of Trousdale County	\$272,100	
TOTAL		\$668,000	

(Recipient entity must be a local government, their economic development organization, a political subdivision of the state, or an eligible business beneficiary [for training only].)

		business beneficiary [for training only].)		
•EL	IGIBI	LE BUSINESS BENEFICIARY (if different than Recipient Entity):ARC Automotive, Inc.		_
		e the General Statutory Compliance section below and the section(s) that corresponds with the type of funding indicated above Compliance items apply to all types of funding represented above.	. Genera	Í
<u>GEI</u>	NER/	AL STATUTORY COMPLIANCE		
1	lf "y amo	this new commitment cause the FastTrack appropriations to be over-committed $T.C.A. \S.4-3-716(g)$? es," state funding board concurrence is required. Altach the commissioner's rationale used to determine the ount of actual commitments unlikely to be accepted based on historical program trends (maximum allowed is % of the appropriations available for new grants).	☐ Yes	⊠ No
2	obli	this new commitment place in jeopardy compliance with the legislative intent that actual expenditures and gations to be recognized at the end of the fiscal year not exceed available reserves and appropriations of the grams $TCA \ \S 4-3-716(g)$?	☐ Yes	⊠ No
3.		is this grant or loan comply with the legislative intent to distribute FastTrack funds in all areas of the state to extent practicable $T \in A \setminus \{4-3-716(l)?\}$	⊠ Yes	□ No
4.	adm the legi	the commissioner of economic and community development provided to the commissioner of finance and finistration (with copies transmitted to the speaker of the house of representatives, the speaker of the senate, chairs of the finance, ways and means committees, the state treasurer, the state comptroller, the office of stative budget analysis, and the secretary of state) the most recent quarterly report regarding the status of the repriations for the FastTrack fund T.C.A. § 4-3-716(h)?	⊠ Yes	□ No
ide : 5.	n tify a.	which of the following apply: Does the business export more than half of their products or services outside of Tennessee $T.C.A$	⊠	
	b.	Do more than half of the business' products or services enter into the production of exported products $T \in A \setminus \S(4-3-717(h)(1)(B))$?		
	Ç.	Does the use of business' products primarily result in import substitution on the replacement of imported products or services with those produced in the state $T.C.A. \S +3-717(h)(1)(C)$?		
	d	Has the commissioner of aconomic and community development determined the business has other types of economic activity that contributes significantly to community development education and has a beneficial impact on the economy of the state T.C.A. § 4-3-717(h)(1)(D)? If "yes," attach the commissioner's rationale.		
Ap ; 6.		It must answer "Yes" to a <u>or</u> b. Is there a commitment by a responsible official in an eligible business for the creation or retention of private sector jobs and investment $TCA \le 4-3-717(a)$? If "yes," attach documentation.	⊠	
	þ	Has the commissioner of economic and community development determined that this investment will have a direct impact on employment and investment apportunities in the future T.C.A. § 4-3-717(a)? If "yes," attach the commissioner's rationale.		

T	R	Δ	ſ	N	1	N	C

7	Will the grant support the training of new employees for locating or expanding industries T C A § 4-3-717(c)(1)?	⊠ Yes	□ No
8.	Will the grant support the retraining of existing employees where retraining is required by the installation of new machinery or production processes $T.C.A. \S. 4-3-717(c)(2)$?	☐ Yes	⊠ No
INF	RASTRUCTURE		
9	Is the land to be improved publicly owned and not subject to a purchase option by a private entity where the purchase option covering the land may be exercised within a period of five (5) years following the date of the infrastructure grant? $T \in A - \frac{4}{3} - \frac{4}{3} - \frac{7}{17} (b)(2-3)$?	⊠ Yes	□ No
10	Is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state $T.C.A§4-3-717(d)(1)$?	⊠ Yes	□ No
11	In determining the level of assistance for infrastructure and site preparation, was consideration given to local ability-to-pay with areas of lesser ability being eligible for higher grant rates \mathcal{FLCA} § 4-3-717(f)?	⊠ Yes	□ No
	a. Will the grant or local address infrastructure, such as, water, wastewater, transportation systems, line extensions, industrial site preparation or similar items where it is demonstrated that such improvements are necessary for the location or expansion of business or industry T.C.A. § 4-3-717(h)(2)?	⊠	
	b. Has the commissioner of economic and community development determined the funds make significant technological improvements such as digital switches or fiber optic cabling that would have a beneficial impact on the economy of this state T.C.A. § 4-3-717(h)(2)? If "yes," attach the commissioner's rationale.		
EC	ONOMIC DEVELOPMENT		
13.	is this grant or loan made to a local government, a local government economic development organization or other political subdivision of the state TCA § 4-3-717(d)(1)?	⊠ Yes	□ No
14.	Is this grant or loan eligible for FastTrack infrastructure development or job training assistance funds $T CA S 4-3-717(d)(1)$?	☐ Yes	⊠ No
15.	Will this grant or toan be used to facilitate economic development activities that include, but are not limited to, retrofitting, relocating equipment, purchasing equipment, building repairs and improvements, temporary office space or other temporary equipment related to relocation or expansion of a business T.C.A. § 4-3-717(d)(1)?	⊠ Yes	□ No
16	Will the funds be used in exceptional circumstances wherein the funds will make a proportionally significant economic impact on the affected community $T.C.A. \S.4-3-717(d)(1)$? If "yes," attach an explanation of the exceptional circumstances and the proportionally significant economic impact.	⊠ Yes	□ No
17	The department of economic and community development is required to notify and provide the state funding board a detailed written explanation of the purpose for which this economic development grant or loan is being awarded or used $T.C.A. \S 4-3-717(d)(2)$. Attach documentation.		
	ave reviewed this document and believe it to be correct. S - 5 - 1 5		
	•		



April 22, 2015

INCENTIVE ACCEPTANCE FORM

ECD OFFER SUMMARY

FastTrack Job Training Grant: \$132,000
FastTrack Infrastructure Grant: \$263,900
FastTrack Economic Development Grant: \$272,100
Total ECD Commitment: \$668,000

Company Commitment: 66 New Full-Time Positions \$ 2,890,750 Capital Investment

Please sign your name in the space below to signify ARC Automotive, Inc.'s acceptance of ECD's offer set forth above and return it by https://doi.org/10.1007/j.july 22.2015 to:

Tennessee Department of Economic and Community Development Attn: Jordan Taylor Sloan

312 Rosa Parks Avenue, 27th floor Nashville, TN 37243

Nashville, TN 37243 jordan.taylorsloan@tn.gov

Please note that this Incentive Acceptance Form does not give rise to any legal obligations on the part of the State of Tennessee, any department or instrumentality of the State of Tennessee (including ECD and the Department of Revenue) or the Company. The terms and conditions governing the award of the incentive package described herein will be set forth in a grant agreement, the form of which will be provided to the Company following the delivery of an executed copy of the Incentive Acceptance Form.

Signature:

(Authorized Representative of Company)

FastTrack Report to State Funding Board

8/4/2015 114,764,745.02 1. Previous FastTrack Balance, as of Last Report 72,201,561.07 2. + New Appropriations: 6,044,436.54 + Newly Deobligated Funds: 0.00 + Funds Transferred to FastTrack: 4. 0.00 5. - Funds Transferred from FastTrack: (10,967,600.00) - FastTrack Grants or Loans Approved Greater Than \$750,000: (2,426,100.00)- FastTrack Grants or Loans Approved Less Than \$750,000: 7. 179,617,042.63 Adjusted FastTrack Balance Available for Funding FastTrack Grants or Loans: 127,440,453.35 9. Total Amount of Commitments: 52,176,589.28 10. Uncommitted FastTrack: 71.0% Percentage Committed: 11. 7,955,500.00 12. Amount of Proposed Grants or Loans: 13. Uncommitted FastTrack Balance if Proposed Grants or Loans Approved: 44,221,089.28 75.4% 14. Percentage Committed: See next page for explanations of the above questions. I have reviewed the above and believe it to be correct: Date: 8-5-15Commissioner of Economic and Community Development

Page 1 of _1__

RESOLUTION TO AMEND THE RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND TO CANCEL A LIKE AMOUNT OF BONDS AUTHORIZED FOR THAT PURPOSE

Recitals

Whereas the Tennessee State Funding Board adopted a "Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel a Like Amount of Bonds Authorized for that Purpose" on June 23, 2015 (the "2015 Hwy Resolution");

Whereas the 2015 Hwy Resolution correctly stated the information in Recitals 2 and 3 but due to scrivener's error misstated the Public Acts Numbers in Recital 1 and Section 1 and 2 thereof; and

Whereas the Tennessee State Funding Board desires to amend and clarify the 2015 Hwy Resolution by restating in their entirety Recital 1 and Sections 1 and 2 of the 2015 Hwy Resolution.

BE IT RESOLVED BY THE FUNDING BOARD OF THE STATE OF TENNESSEE

Recital 1 of the 2015 Hwy Resolution is restated as follows:

Recital

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000) of which Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) is allocated pursuant to Section 4(5) of the 2007 Act (the "2007 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2007 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of Chapter 427, Public Acts of Tennessee, 2015 (the "2015 Appropriations Act") appropriates to the Funding Board the sum of Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) to cancel a like amount of unissued 2007 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) of the unissued 2007 DOT Bonds.

Whereas, the Tennessee State Funding Board for further clarity and completeness restates the information in Recitals 2 and 3 of the 2015 Hwy Resolution:

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1024, Public Acts of Tennessee, 2012 (the "2012 Act"), to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Eighty-One Million, Nine Hundred Thousand Dollars (\$381,900,000) of which Eighty Million Dollars (\$80,000,000) is allocated pursuant to Section 4(4) of the 2012 Act (the "2012 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Two Million Dollars (\$2,000,000) of the 2012 DOT Bonds; none of the remaining Seventy-Eight Million Dollars (\$78,000,000) of the 2012 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2015 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2012 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 452, Public Acts of Tennessee, 2013 (the "2013 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Sixty-Six Million Dollars (\$266,000,000) of which Eighty-One Million Dollars (\$81,000,000) is allocated pursuant to Section 4(2) of the 2013 Act (the "2013 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2013 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2015 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2013 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds.

Be It Resolved By The Funding Board Of The State Of Tennessee:

- 1. The projects authorized to be financed by the 2007 DOT Bonds, 2012 DOT Bonds and 2013 DOT Bonds have been financed in whole or in part with current funds and a total of Eighty-Five Million, Eight Hundred Thousand Dollars (\$85,800,000) is no longer needed to fund such authorized projects.
- 2. Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) of the unissued 2007 DOT Bonds are hereby canceled.
- 3. One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds are hereby canceled.
- 4. One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds are hereby canceled.

BE IT FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of August 13, 2015

Adopted by the Funding Board at its meeting on August 13, 2015.

JUSTIN P. WILSON, SECRETARY

TENNESSEE STATE FUNDING BOARD

RESOLUTION ALLOCATING FROM DEBT SERVICE FUND TO THECAPITAL PROJECTS FUND \$440,064.00 AND CANCELING A LIKE AMOUNT OF BONDS AUTHORIZED FOR THE PURPOSE OF PROVIDING FUNDS TO THEDEPARTMENT OF FINANCE AND ADMINISTRATION

Recitals |

The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars and no cents (\$295,000,000.00) of which Seven Million Dollars and no cents (\$7,000,000.00) is allocated pursuant to Section 4(3) of the 2007 Act (the "Item 3 Bonds") to the Department of Finance and Administration, to provide funds for acquisition of sites and existing structures for expansion purposes for the Tennessee Board of Regents on behalf of the University of Memphis (the "UM").

The State Funding Board has previously canceled One Million, Five Hundred Fourteen Thousand, Seven Hundred Ninety-One Dollars and Ninety Seven Cents (\$1,514,791.97) of the Item 3 Bonds. None of the remaining Five Million, Four Hundred Eight-Five, Two Hundred Eight Dollars and Three Cents (\$5,485,208.03) principal amount of the Item 3 Bonds has been issued as 2007 Act Bonds but cash has been expended from the Capital Projects Fund.

By memorandum dated June 30, 2015, the Commissioner of Finance and Administration notified the State Funding Board that UM has paid Four Hundred Forty Thousand, Sixty-Four Dollars and no cents (\$440,064.00) into the Debt Service Fund in accordance with the agreement between UM and the State Funding Board and recommended that: (1) a like amount should be allocated to the Capital Projects Fund and (2) a like amount of general obligation bonds effective in the fiscal year ending June 30, 2015 be canceled.

Be It Resolved By the Funding Board of the State of Tennessee:

- 1. The project authorized to be financed by the 2007 Act, Item 3 Bonds has been financed in part with current funds and Four Hundred Forty Thousand, Sixty-Four Dollars and no cents (\$440,064.00) is no longer needed to fund such authorized project.
- 2. Four Hundred Forty Thousand, Sixty-Four Dollars and no cents (\$440,064.00) in accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, is allocated from the Debt Service Fund to the Capital Projects Fund to defray the cost of a portion of the Item 3 Bonds.
- 3. In accordance with the authority provided by Tennessee Code Annotated Sections 9-9-205 and 9-9-208, and the memorandum from the Commissioner of Finance and Administration dated June 30, 2015, the State Funding Board cancels Four Hundred Forty Thousand, Sixty-Four Dollars and no cents (\$440,064.00) of the principal amount authorized by the 2007 Act for the Item 3 Bonds.
- 4. This resolution shall be effective as of June 30, 2015 and all resolutions in conflict herewith are hereby repealed.

Adopted by the Funding Board at its meeting on August 13, 2015.

JUSTIN P. WILSON, SECRETARY

TEMPESSEE STATE FUNDING BOARD

RESOLUTION TO AMEND THE RESOLUTION ALLOCATING FUNDS TO DEFRAY A PORTION OF THE COST OF HIGHWAY CONSTRUCTION PROJECTS AND TO CANCEL A LIKE AMOUNT OF BONDS AUTHORIZED FOR THAT PURPOSE

Recitals

Whereas the Tennessee State Funding Board adopted a "Resolution Allocating Funds to Defray a Portion of the Cost of Highway Construction Projects and to Cancel a Like Amount of Bonds Authorized for that Purpose" on June 23, 2015 (the "2015 Hwy Resolution");

Whereas the 2015 Hwy Resolution correctly stated the information in Recitals 2 and 3 but due to scrivener's error misstated the Public Acts Numbers in Recital 1 and Section 1 and 2 thereof; and

Whereas the Tennessee State Funding Board desires to amend and clarify the 2015 Hwy Resolution by restating in their entirety Recital 1 and Sections 1 and 2 of the 2015 Hwy Resolution.

BE IT RESOLVED BY THE FUNDING BOARD OF THE STATE OF TENNESSEE

Recital 1 of the 2015 Hwy Resolution is restated as follows:

Recital

(1) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 591, Public Acts of Tennessee, 2007 (the "2007 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Ninety-Five Million Dollars (\$295,000,000) of which Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) is allocated pursuant to Section 4(5) of the 2007 Act (the "2007 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2007 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of Chapter 427, Public Acts of Tennessee, 2015 (the "2015 Appropriations Act") appropriates to the Funding Board the sum of Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) to cancel a like amount of unissued 2007 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) of the unissued 2007 DOT Bonds.

Whereas, the Tennessee State Funding Board for further clarity and completeness restates the information in Recitals 2 and 3 of the 2015 Hwy Resolution:

(2) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 1024, Public Acts of Tennessee, 2012 (the "2012 Act"), to issue and sell its general obligation bonds in an amount not to exceed Three Hundred Eighty-One Million, Nine Hundred Thousand Dollars (\$381,900,000) of which Eighty Million Dollars (\$80,000,000) is allocated pursuant to Section 4(4) of the 2012 Act (the "2012 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

The Funding Board has previously canceled Two Million Dollars (\$2,000,000) of the 2012 DOT Bonds; none of the remaining Seventy-Eight Million Dollars (\$78,000,000) of the 2012 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2015 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2012 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds.

(3) The State of Tennessee, acting by resolution of its Funding Board, is authorized pursuant to Chapter 452, Public Acts of Tennessee, 2013 (the "2013 Act"), to issue and sell its general obligation bonds in an amount not to exceed Two Hundred Sixty-Six Million Dollars (\$266,000,000) of which Eighty-One Million Dollars (\$81,000,000) is allocated pursuant to Section 4(2) of the 2013 Act (the "2013 DOT Bonds") for the Department of Transportation for the purpose of providing funds to be spent for the construction of highways and highway projects.

None of the 2013 DOT Bonds principal amount authorized has been issued.

Section 6, Item 2(a) of the 2015 Appropriations Act appropriates to the Funding Board the sum of One Million Dollars (\$1,000,000) to cancel a like amount of unissued 2013 DOT Bonds.

The Commissioner of Finance and Administration by memorandum dated May 29, 2015, recommended that the Funding Board proceed with canceling One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds.

Be It Resolved By The Funding Board Of The State Of Tennessee:

- 1. The projects authorized to be financed by the 2007 DOT Bonds, 2012 DOT Bonds and 2013 DOT Bonds have been financed in whole or in part with current funds and a total of Eighty-Five Million, Eight Hundred Thousand Dollars (\$85,800,000) is no longer needed to fund such authorized projects.
- 2. Eighty-Three Million, Eight Hundred Thousand Dollars (\$83,800,000) of the unissued 2007 DOT Bonds are hereby canceled.
- 3. One Million Dollars (\$1,000,000) of the unissued 2012 DOT Bonds are hereby canceled.
- 4. One Million Dollars (\$1,000,000) of the unissued 2013 DOT Bonds are hereby canceled.

BE IT FURTHER RESOLVED that all resolutions or parts of resolutions in conflict are repealed, and the resolution shall be effective as of August 13, 2015

Adopted by the Funding Board at its meeting on August 13, 2015.

JUSTIN P. WILSON, SECRETARY TENNESSEE STATE FUNDING BOARD



August 5, 2015

Ms. Sandi Thompson Director of Office of State & Local Finance State of Tennessee James K. Polk Building, Suite 1600 Nashville, TN 37243

Dear Ms. Thompson:

Public Financial Management, Inc. ("PFM"), as Financial Advisor to the State of Tennessee (the "State"), issued a Request for Proposals ("RFP") for qualifications and fee quotations from investment banking firms to serve as remarketing agent for the State's General Obligation Commercial Paper program ("CP Program"). The RFP was distributed to 12 investment banking firms on May 20, 2015. On May 29, 2015, the State and PFM received eight (8) proposals from the following firms:

- 1. Bank of America Merrill Lynch
- 2. Citigroup Global Markets, Inc.
- 3. J.P. Morgan
- 4. Morgan Stanley
- 5. Piper Jaffray
- 6. RBC Capital Markets
- 7. US Bancorp
- 8. Wells Fargo Bank N.A.

First, PFM and the Office of State Local Finance ("OSLF") independently reviewed the eight (8) proposals received. In consultation with the OSLF, we eliminated three (3) of the firms (Piper Jaffray, RBC Capital Markets, US Bancorp) based on less remarketing agent experience comparative to the other firms while one (1) firm was eliminated based on previous service levels as a remarketing agent (J.P. Morgan).

Next, OSLF contacted the references of the three (3) firms with whom they have not worked directly with as remarketing agent: Bank of America Merrill Lynch, Citigroup and Wells Fargo. All references were positive related to service levels and performance as remarketing agent.

Finally, OLSF and PFM evaluated the compensation of the four (4) firms. Two (2) firms, Bank of America Merrill Lynch and Wells Fargo quoted a remarketing agent fee of 0.04% while the other two (2) firms, Citigroup and Morgan Stanley, quoted a remarketing agent fee of 0.05%. The consensus was the cost differential of the remaining firms was comparable to one another and representative of current market conditions.

Given the outcome of the process of our review of the proposals, including qualifications, experience and compensation, PFM advised OLSF to consider the service levels of the existing remarketing agent, Morgan Stanley and their interest to replace the service provider. OSLF indicated that Morgan Stanley's service is exceptional based on their proactive management of the State's CP Program. Specifically, Morgan Stanley actively notifies OSLF of market conditions, consults OSLF on timing of CP draws and rolls and seeks ideal investors, all of which has contributed to the success of the CP



Program.

Based on our involvement in the RFP process and the review with OSLF of all the proposals, we support the selection of Morgan Stanley to continue to serve as the remarketing agent on the State's CP Program.

Sincerely,

PUBLIC FINANCIAL MANAGEMENT, INC

Lamer & Lowe

Lauren S. Lowe Director

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - Contact Information

Firm	BAML	Citi	JP Morgan	Morgan Stanley
Key Contact	Stephen J. Schemmel, Managing Director Bank of America Merrill Lynch 214 N. Tryon Street Charlotte, NC 28226 (P) 980-387-0105 (F) 980-683-4783 Email: steve.schemmel@baml.com	Michael Hole, Managing Director 11780 US Highway One, Suite 201 North Tower North Palm Beach, Florida 33408 Phone: 561.694.7088 Fax: 561.694.7086 E-mail: michael.g.hole@citi.com Sara Zare, Vice President 3455 Peachtree Rd, Suite 620 Atlanta, Georgia 30326 Phone: 404.443.4701 Fax: 404.443.4703 E-mail: sara.zare@citi.com	Don Wilbon Managing Director, Public Finance J.P. Morgan Securities LLC 10 S. Dearborn Street, Floor 13 Chicago, II. 60603 Telephone: (312) 385-8485 Fax: (312) 827-1758 don.e.wilbon@jpmorgan.com	Bill Mack, Executive Director 440 South LaSalle Street, 37th Floor Chicago, IL 60605 312-706-4266 william.mack@morgan.stanley.com
Underwriting desk Contact	Robert M. Tomeny, Director Bank of America Merrill Lynch One Bryant Park, 9th Floor New York, NY 10036 (P) 212-449-0520 (F) 646-855-1646 Email: robert.tomeny@baml.com	Thomas Broge, Director 390 Greenwich Street, Floor 2 New York, NY 10013 Tel: 212.723.7082 Fax: 212.723.8939 E-mail: thomas.s.broge@citi.com	Charlie Giffin Managing Director, Head of Short-Term Syndicate J.P. Morgan Securities LLC 383 Madison Avenue, Floor 8 New York, NY 10179 Telephone: (212) 834-3261 Fax: (917) 464-4178 charles.a.giffin@jpmorgan.com	J.R. McDermott, Managing Director, Head of Municipal Trading and Short Term Syndicate 1585 Broadway, 2nd Floor New York, NY 10036 212-761-1545 richard.mcdermott@morganstanley.com
Form BD	http://brokercheck.finra.org/Report/Download/36048080	included in proposal	included in proposal	http://brokercheck.finra.org CRD number 8209

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - Contact Information

Firm	Piper Jaffray	RBC	US Bank	Wells Fargo
Key Contact	Jere McGuffee, Managing Director 3400 Players Club Parkway, Suite 150 Memphis, TN 38125 Tel: 901 302-1645 Cell: 901 438-7098 Fax: 901 302-1641 Jere,s.mcguffee@pjc.com	Public Finance RBC Capital Markets, LLC Cory Hoeppner, Managing Director 60 South 6th Street Minneapolis, MN 55402 P. 612.313.1073 F. 612.371.7619 cory.hoeppner@rbccm.com	Amit Mahajan Managing Director 461 Fifth Avenue, 10th Floor New York, New York 10017 amit.mahajan@usbank.com 917-256-3823	Edward Boyles Managing Director, Southeast Public Finance Phone: (704) 410-0710; Fax: (704) 410-7361 edward.boyles@wellsfargo.com
Underwriting desk Contact	joanna Brody, Managing Director 345 Park Avenue New York, NY 10154 Tel: 212 284-9421 Fax: 212 284-9411 Joanna.l.brody@pjc.com	Short-Term Desk RBC Capital Markets, LLC Craig Laraia, Managing Director 200 Vesey Street, 8th Floor New York, NY 10281 P. 212.618.2019 F. 212.618.2570 craig.laraia@rbccm.com	Tom Gallo Managing Director 461 Fifth Avenue, 10th Floor New York, New York 10017 thomas.gallo@usbank.com 877-403-6519	Andrew Maffucci Director, Short-Term Underwriting Phone: (704) 410-4081; Fax: (704) 410-0204 andrew.maffucci@wellsfargo.com
Form BD	not provided	www.finra.org firm number 31194	included in proposal	The State's commercial paper will be sold through Wells Fargo Bank, N.A., which is not a broker-dealer and therefore we have no Form BD to share.

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - Qualifications/Expenses

Firm	HAML.	Points	l Citi	Points	IP Morgan P	ointa	Morgan Stanley	Points
Ability to marker CP	#2 ranked senior manager of all variable rate products since 1/1/2011.		Can's mationing sentings is an following (1) and solutions of the offering memorandum/pre-market the paper or interpreted interceive general, (2) divertie placement of paper (3) strategie velocines of CP and CP manurity chains		#1 Commercial Paper new issuances 2005-2015 #1 short-term underwriter 2005-2015		4.P dealer for State since March 2000 Academip in underwriting municipal variable-rate debt is a duren result of our 1) extensive experience with a broad array of thorst-term instruments; 2) dedicated, short-term market professionals; 3) unique combination of strong institutional, testal and highest- worth distribution capabilities; and 4) strong capital commitment to our clients	roms
# of Professionals	5 underwriting/remarketing professionals 14 retail marketing specialists, 23 institutional salespeople, 129 retails brokers in TN		5		10 professionals, short term desk		*	
Location of Offices	Charlotte, New York, 13 retail offices in TN		Tampa, Atlanta, 'New York (short term desk)		New York, Chicago		Chicago, New York	
W 414 1000	167		25		224		17	
# of Muni CP Programs								
Volume Authorized (8)	\$21.921 billion		\$4.488 billion		\$34.991 billion		\$14.74 billion	
Tax-Exempt Outstanding (\$)	\$4.835 billion		\$2 128 billion		\$7 324 billion		Si At billion	
Taxable Ousstanding (\$)	\$1.187 billion Vanderbilt Univ (\$675 million authorized) Baptist Memorial Health Care (\$150 million authorized) State of Wiscousin, State of California dealer for CP programs in 29 different states		\$1.26 billion brought to market over \$1.6 billion in commercial paper over the last two years; currently do not remarket any CP Programs within the State of Tennessee.		\$2.677 billion currently a dealer on the Metro Govt of Nashville and Davidson County's \$500 million tax-exempe E&O CP Notes, Series A-1 and A-2 provided a \$97 million standby liquidity agreement supporting the Metropolitan government's Water and Sewet credit.	ļ	\$634.R5 billion CP dealer for the Start's \$350 million General Obligation CP program since March 2000 dealer for the Metro Govt of Nashville and Davidson Crustry's GO extendible CP, as well as Metro's Water and Sewer reveaue traditional CP and extendible CP -serve as CP dealer for programs large and small, including the Start of California, the State of Wiscossio, the Commonwealth	
Last 2 years experience w/TE & Taxable CP					programs for issuers such as the State of California and the City of Houston.		of Mauachusers, Missivippi Development Bank, and Memopulitan Transportation Anthony,	
Failed remarketings from 1/1/2010-4/30/2015?	None		not specified for given time frame		does not track failed remarketings		mude	
Draw on LOC/standby note purchase agreement?	None		see above		see above			
Information/technology systems	Merrill Lynch Bond Market Website ("MJ.BMW"). BofAML's Mercury System. Bloomberg Municipal Money Market Display Chapter		Enhanced Customer Service (F.CS) Program: monitors performance, links Citi, State and issuing/paying agents clectmonically, provide quarterly review reports and customized CP index to track performance		Blouenberg system, with summary reports J.P. Morgan Markets		in-house computer system that allows for instant and accurate trade data processing. minutor performance by (i) pricing versus an index and (ii) procing versus stretcher similar program; would continue to provide a periodic analysis utilizing birth approaches.	

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - Qualifications/Expenses

Firm Fees/Expenses:	BAMIL.	Points	Citi	Points	JP Morgan Points	Morgan Stanley	Points
Up front fees	0		0		P3	62	
Annual Remarketing Fees	4 basis points, paid quarterly in arrears based on quarterly CP amount outstanding		5 term points per animate, beand on daily weighted amount of CP ourstanding, payable quarterly in access		points on ourstanding par quarterly عندوط 3		
Other fees	0		ų		ป	3 beam pome 0	
Legal Counsel	Bass Berry Sims Jillian M. Blackshear 150 Third Ave South Suite 2800 Nashville, TN		Hass Berry Sims Karen Ned 130 Timid Awe South Suite 2800 Nathville, TN		Bass Berry Sims Jeff (Miham 150 Thaub Ave South Suite 2800 Nashville, TN	GP program would continue as it is currently set up, with no additional legal fees, if selected to continue in its current capacity as Dealer.	
	Buder Snow Michael J. Bradshaw, Jr. 6075 Poplar Ave. Suite 500 Memphis, TN		Nelson Mullins Riley & Searborough Brendu Kaplan 130 Bourth Ave., North Suite 1100 Nashreille, TN		Neiton Mullins Riley & Scarborough Brundi Kaplan 180 Fourth Ave., North Suite 1100 Nashralle, TN		
Estimated counsel fees	\$15,000		\$15,4000		\$15,000	out burnight	1
The state of the s		- -		عو	<u> </u>		
Outstanding CP - estimated Remarketing Agent Fee	200,000,000 0.04%		200,000,000 0.05%		200,000,000 0.05%	200,000,000	ľ
Compensation	80,000		100,000		100,000	0,05% 100,000	

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - Qualifications/Expenses

Piem Ability to market CP	Piper Jaffray As of the first quarter ended 2015, Thomson Reuters Municipal Market Data ranked Piper Jaffray as 6th by number of daily reset issues we remarket and 13th by number of issues overall.	RBC Point from 2010 to 2014. RBCCM carked #1 in volume of issuance for suriny managed Bostong rate thesis, #1 in volume of summers for fixed managed Bostong rate thesis, #1 in issuance for variable rate demand notes. RBCCM's approach to marketing CP Programs is similar to the approach taken for long-term boods within the experisive of our mading dock soft sales force in managing document and viantagely place the CP with a diverse group of fire-state. 3 short term dock professionals.	canked #7 in dailies and #10 in weeklies in 2014 smog credit profile, 5th largest financial services holding company in US	#12 ranked dealer of VRDB remarketing by number of stones, #4 by amount outstanding Extensive National Distribution Network distinct channels: (1) institutional sales, (2) mixtde market sales, and (2) retail brokerage, one of few firms that have all three distribution outlets.
# of Professionals	**	э эни ист ринеамия	6 person variable rate underwriting/sales/trading	4 crading and underwriting professionals, 2 sales I short-term sales in New York I short-term sales in San Francisco
Location of Offices	New York, Seartle, Minneapolis	New York, Minneapolis	New York	Charlotte, New York, San Francisco
# of Muni CP Programs	-not currently serve as a Dealer for any municipal commercial paper programs -currently a Dealer on several corporate commercial paper programs.	30	34	39
Volume Authorized (\$)	see above	\$2 978 billion	\$2.121 billion	\$40,93 billion
Tax-Exempt Outstanding (\$)	see above	\$0 346 billion	\$0.395 billion	SQ 742 Millions
Taxable Oustanding (\$) Last 2 years experience w/TE & Taxable CP	see above the sealor professionals hired by Piper in 2009 do have a working understanding, marketing perspective and relevant experience with CP programs. For example, the UBS commercial paper portfolio was over \$2billion for 15 issuers and was managed by Joanna Brody	\$0.280 billion remarketing agent for the State of California General Obligation Trax-Exempt CP Notes, Series 2011A-2 (Non-AMT), of which \$45,000,000 is outstanding, and the State of California General Obligation Taxable CP Notes, Series 2011B-2, of which \$27,885,000 is outstanding.	50.353 billion no CP in the state of Tennessee , \$250 million in total general obligation CP for the Sace of California authorized to remarket general fund-backed paper for issuers including. City of Los Angeles (Municipal Improvement Corporation of Los Angeles) (All micro and County of San Francisco and Los Angeles County Capital Asset Leaving Corporation totaling over \$313 million.	St.1 billion mentarketed the City of Charlotte's GO CP Bonds from April 2012 serves at remarketing agent for the State of Caldonna's GO Tax-Exempt CP Notes, Series 2011A-1 in a combined amount of up to \$624 utilison, served as remarketing agent on the State's tax-exempt Series 2011A-1 Notes since February 2013. served as remarketing agent on the State of Caldonna's GO Taxable CP Notes, Series 2011B-1, which manured in November 2013 torustreet the Commonwealth of Marsachusetts' CP Notes, Series K (Federally Taxable) in the amount of up to \$200 million.
Failed remarkerings from 1/1/2010-4/30/2015?	ōose	nune	outc	Sware
Draw on LOC/standby note purchase agreement?	None	Nο	TALLING:	Softe
Information/technology systems	Bloomberg, Ipreo Municipal Bookrunning	RBCCM believes in the hands-on approach to customer service. Short-Term Desk is available to our clients so that they speak directly with the RBCCM CP staff for an up-to date market picture. RBCCM willizes the Dalcomp/Ipreo System for all trades related to its commercial paper programs. As a CP dealer to the State, we would provide access to Dalcomp/Ipreo at no cost and submit market data, reset rates and other information electronically.	Short-Term Desk uses an industry trading platform called START, or Short Term Adjustable Rate Trading, to execute commercial paper trades START maintains a database of ongoing trades, future rolls, interest payments, etc. Bloomberg to confirm trades with investors, which essentially serves as a ticker for the transaction.	uses a proprietary trade management system, called the Mulu Acer Trailing System, to enter and modify made, manage inventory positions, view trade histoners, and flow data to the MSRB and DTC for municipal commercial paper transactions. WF MPC municipal commercial paper transactions. WF MPC minimum access to all necessary trading systems and can customize these reports to fit the State's needs on an ongoing basis.

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Marrix - Qualifications/Expenses

Plans Foot/Expenses:	Piper Jattray P	oints	RBC	Points	₹JS Bank	Poins	Wells Fargo Poin	:e
Up from fees	\$0.50 per bond	į.	0		a		0	
Annual Remarketing Fees	5 basis points		5 basis points		5 basis points, paid quarrerly in arrears		4 basis points	
Other fees	0		reimbursement for CUSIP, DTC, Ipreo and day loan charges relating to the CP program.		o		0	
Legal Counsel	M. Jeffrey A. Oldham, Member Bass, Berry & Sims P.J.C. 150 Third Avenue South, Suite 2800 Nashville, TN 37201 (615) 742-7704 (office) joldham@bassberry.com	E	Bass, Berry, Sirus Karen Neal		Bass, Berry & Sims PLC G. Mark Marnantov 1700 Riverview Tower 900 S. Gay Street Knoxville, TN 37902 Phone: (86) 521-0365 Email: mmamantov@bassberry.com		Bass, Berry, Sims Jeff Oldham 615-742-7704	
	Mr. M. John Trofa, Partner Chapman and Cutler LLP 1270 Avenue of the Americas, 30th Floor New York, NY 10020 (212) 555-250 (office) trofa@chapman.com		Kunak Rock Osvid Amsden		Patton Boggs Alchkin Nancoo 2550 M Street, NW W Pstonington, DC 20037 Pstonic (202) 457-6000 Email: anancoo@patronboggs.com		Adams and Reese Cynthia Minchell Barnett 615-259-1454	
Estimated counsel fees	\$15,000	ş	\$15,000		\$15,000		\$15,000 -\$3 0,000	
A de la companya de l			<u> </u>			<u> </u>		Ē.
Outstanding CP - enimated Remarketing Agent Fee	200,000,000 弘康許"。		200,000,000 0 05%		200,000,000 0.05%		200,000,000 0 04%	1
Compensation	I CONJUNCT		100,000		100,000		80,000	

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - References

Firm	BAML City of Charlotte, NC Scott Greet, Treasurer 600 East Fourth Street Charlotte, NC 282002 704-336-5883 sgreet@charlottene.gov \$150MM GO CP	Citi City of San Jose Julia Cooper, Director of Finance 200 E. Santa Clara St., 13th Floor San Jose, CA 95113 408-535-7011 julia.cooper@sanjoscca.gov Norman Y. Mineta San Jose Incl Airport Subordinate CP Notes Series A-1 & Series A-2	JP Morgan District of Columbia Water and Sewer Authority City Mark Kim Chief Financial Officer 5000 Overlook Avenue, SW Washington, DC 20032 Phone: (202) 787-2714 Email: mark.kim@dewater com \$100,000,000 Commercial Paper Notes	Morgan Stanley Metropolitan Govt of Nashville and Davidson County Richard Riebeling Finance Director 1 Public Square, Suite 106 Nashville, TN 37201 [615] 862-6151 richard-riebeling@nashville.gov
	San Diego County Water Authority David Shank, Financial Planning Manager 4677 Overland Avenue San Diego, CA 92123 658-522-6676 dahank@edewa.org \$360MM CP Note Series 1, 5, 6 & 7	State of California Geoff Palmerure, Manager Interim Finance Division Office of the Treasurer of the State of CA 915 Capitol Mall, Room 261 Sacrumento, CA 95814 914-653-2440 gpalmerure@treasurer.ca.gov GO CP Notes Series 2011A-2 and 2011B-2	Series B (Tax-Exempt) \$50,000,000 Commercial Paper Notes Series C (Taxable) City of Dallas Corine Steeger Assistant Director/Treasury Management 1500 Marilla St. Dallas, TX 75201 Phone: (214) 670-3676 Email: corrine.steeger@dallascityhall com \$300,000,000 Waterworks and Sewer System Tax-Exempt Commercial Paper Notes, Series E	City of Milwaukee Richard Li Public Debt Specialist 200 E. Wells Street, Room 404 Milwaukee, WI 53202 (414) 286-2319 rdi@milwaukee.gov
	Scarce of Wisconsin David Erdman, Asst. Capital Finance Director 101 E. Wilson Street, Flr 10 Madison, W1 53707 608-267-3974 david.erdman@wisconsin.gov \$1,2BN Series 2005A, 2006A, 2013A & Extendible CP	Hillsborough County Tim Simon, Debt Manager County Center 601 E. Kennedy BLvd Tempa, Fl. 33602 813:367-7032 simon@hilkboroughcouog.org Capital Impr. Program CP Notes Series A-C	Dallas Area Rapid Transit Nathan Hallett Treasurer 1401 Pacific Ave. Dallas, Texas 75202 Phone: (214) 749-3021 Email: ahallett@dart.org \$200,000,000 Senior Subordinate Lien Sales Tax Revenue Commercial Paper Notes, Series I	State of Wisconsin David Erdman Assistant Capital Finance Director 101 East Wilson Street, 10th Floor Madirent, Wis 53702 (608) 267-0374 David, Erdman@wiscontio.gov

State of Tennessee General Obligation CP Program Remarketing Agent Proposal Matrix - References

Firm

Piper Jaffray	RBC	US Bank	Wells Fargo
CPS Energy	New York Power Authority	Massachuseus School Building Authority	Ciry of Atlanta, Georgia
Linda R. Dzierzanowski CPA	Brain McElroy	Kenneth Wissman	Paul Kwaw
Senior Director of Finance	Treasurer	Chief Financial Advisor	Interim Treasurer, Debt & Investment Chief
P.O. Box 1771	123 Main Street	40 Broad Screet, Suite 500	68 Mitchell St., Suite 13100
San Amonio, TX 78296	White Plains, NY 10601		
		Boston, MA 02100	Atlanta, GA 30303
(216) 353-2396	914-287-3956	Phoni= (617) 720-4466	Telephone: (404) 330-6956
ldzier/un/wski@CPSEnergy.com	brian.mcelroy@nypa gov	ken wissman@massschoolbuiklings.org \$150,000,000	bywangarjauraka kos
		Massachuserts School Building Authority	Water and Wastewater Revenue
		Tax Exempt Commercial Paper	Commercial Paper Notes
		Subordinated Dedicated Sales Tax Bond	Series 2015A-2
		Andripation Notes, Series B	Authorized Amount: \$125 million
		tenenhammi trotter petter to	Airport General Revenue
			Commercial Paper Notes
			Series 2010B-1 & B-2
			Authorized Amount: \$175 million
5தா Antonio Water System (SAWS)	TEA	State of California	City of Charlotte, NC
Phylilla Garcia	Melissa Dykes	Geoff Palmettree	Scott Greer
Manager - Financial Services	CFO CFO	Manager, Interior Finance Section	City Treasurer
P.O. Box 2449	21 West Church Street	Office of the State Treasurer	600 East Fourth Street
San Antonio, TX 78298	lacksonville, FL 32202		
		915 Capitol Mall C-15	CMGC-10th Floor
(210) 233-3813	904-665-7549	Sacramento, CA 95814	Charlotte, NC 28202
pogancia@saus.org	dykemh@jes.com	Phone: (916) 653-2440	Telephone: 1704) 336-5883
		geoff-palmertree@treasurer.ca.gov \$125,000,000	sgreet@charlottenc.gov
		General Obligation Commercial Paper	General Obligation Commercial Paper Bonds
		Notes, Series A-7 & B-7 \$62,500,000	Authorized Amount: \$150 million
		General Obligation Commercial Paper	
		Notes, Series 2011 A-5	1
		\$62,500,000	
		General Obligation Commercial Paper	
		Notes, Series 2011 B-5	
City of New York	State of CA Department of Water Resources	City of Lincoln, Nebraska Lincoln Electric System	Vanderbilt University
Alan Anders	Peris Netto-Brown	Laura Kapusika	Trey Begsley
Deputy Director	Chief, Division of Fiscal Services	VP & Chief Financial Officer	Treasurer
255 Greenwich St.,	1416 Ninth Street, 8th Floor	1040 O Street	PMB #406310
New York, NY 10007	Suramento, CA 95814		2301 Vanderbilt Place
(212) 788-5872	1916-653-9836	Lincoln, NE 68501	
		Phone (40Z) 473-3300	Nashville, TN 37240-6310
anderss(g)omb.nyc.gov	brown@water.co.gov	Emzil: kepustka@lev.com	Telephone: (615) 343-1870
			trey a bessley@wanderoils.edu
		\$75,000,000	1
		Lincoln Electric System	Tax-Exempt Commercial Paper Notes, Series A
		Electric System Revenue	Tax-Exemps Extendable Commercial Paper
		Commercial Paper Notes	Notes, Series B
			Taxable Commercial Paper Notes, Series C
			Authorized Amount: \$675 million

The Public Employee Defined Benefit Financial Security Act of 2014 Public Chapter No. 990

The 108th General Assembly enacted the Public Employee Defined Benefit Financial Security Act of 2014 which was signed into law by Governor Bill Haslam on May 22, 2014. The law requires any political subdivision that provides a defined benefit pension plan to annually contribute one hundred percent (100%) of its actuarially determined contribution (ADC), subject to a five year phase-in period. The purpose of this law is to ensure the financial stability and financial soundness of public pension plans within the State of Tennessee. This public chapter applies to political subdivisions with defined benefit pension plans external to the Tennessee Consolidated Retirement System (TCRS).

In an effort to assist political subdivisions with defined benefit plans external to TCRS in achieving compliance, guidance was developed to provide an outline of a political subdivision's obligations under the law. One of those obligations is the adoption of a funding policy for financing pension benefits. Each political subdivision must develop a funding policy for fiscal years beginning after June 15, 2015, to be filed with the Comptroller of the Treasury within 30 days of adoption. At a minimum, a funding policy must include the following elements:

- (1) A statement that the ADC for the pension plan shall include the normal (service) costs and the amortization of any unfunded accrued liability.
- (2) A statement regarding the maximum amortization period for which any unfunded accrued liabilities will be paid. The amortization period may not exceed a closed 30 year period.
- (3) A statement that the political subdivision's budget shall include funding of at least one hundred percent (100%) of the ADC, unless the political subdivision is utilizing the permitted five year phase-in.

If a political subdivision is unable to meet the annual funding progress percentage defined within the law, the political subdivision may submit a plan of correction to the State Treasurer for consideration. If the State Treasurer determines the plan of correction to be sufficient to achieve payment of one hundred percent (100%) of the ADC by June 30, 2020, the State Treasurer shall submit the plan of correction to the state funding board for approval.

In the event a political subdivision fails to fund the ADC according to the percentages established, the Commissioner of Finance and Administration, at the direction of the Comptroller of the Treasury, is authorized to withhold state-shared taxes that are otherwise apportioned to the political subdivision. The money withheld from state-shared taxes will be paid to the political subdivision's pension plan.

Report on Defined Benefit Pension Plans External to TCRS

			% ADC	Funded Ratio	Funding
Plan		ADC	Funded	(Actuarial Value)	Policy
CARTA (single employee plan)	\$	269,808	0.0%	61.6%	
Dyersburg City Schools (Non-Teachers)		170,567	0.0%	71.1%	
Hamilton County Employees		<u>1</u> 6,04 0	0.0%	330.1%	
Hamilton County Teachers		63,089	0.0%	39.5%	
Knox County - Disability Plan		<u>527,447</u>	0.0%	0.0%	X
Memphis & Shelby Co. Library		1,217,00 0	14.3%	96.4%	X
Memphis		96,024,000	20.2%	78.7%	X
Harriman Utility Board		1,045 <u>,</u> 72 <u>4</u>	36.0%	61.4%	
Dyersburg		1,48 6,334	50.1%	25.8%	
Lewisburg Water Department		1 34,0 86	64.0%	55.2%	
Covington		1,402 ,21 9	67.7%	53.7%	
Gallatin Department of Electricity		257,0 50	72.9%	88.0%	_
Metro Nashville - Davidson Co Metro Plan*	1	03,6 60,53 9	84.5%	82.6%	
Columbia		2,814,441	85.5%	55.0%	
Metro Nashville - Davidson Co County Education Plan		4,570,5 92	87.0%	0.0%	
Metro Nashville - Davidson Co City Education Plan		2,190 ,063	88.2%	0.0%	
Etowah Utilities Board		454,816	92.5%	70.0%	X
Murfreesboro		4,615, 807	96.8%	88.9%	X
Shelby County**		32,982 ,7 57	96.9%	82.6%	X
Chattanooga Fire & Police	•	13,346,490	98.2%	70.9%	X
Chattanooga Electric Power Board		3,646,000	99.6%	77.2%	X
Nashville Electric Service	-	22,897,905	99.6%	68.3%	X
Memphis Light, Gas & Water Division		26,812,000	100.0%	91.3%	
Bruceton	-	35,432	100.0%	73.4%	
CARTA (Disability and Retirement Plan)		908,890	100.0%	57.4%	
Covington Electric System		129,105	100.0%	91.5%	X
Erwin Utilities		454,675	100.0%	78.2%	X
Germantown		2,238,029	100.0%	60.1%	X
H.B & T.S.Utility District		140,396	100.0%	139.5%	X
lackson Energy Authority		5,27 4,272	100 .0%	69.1%	X
Jasper		151,081	100.0%	65. 2%	
Knox County - Board of Ed		1,134,241	100.0%	81.6%	- х
Knox County - General	_	2,659,851	100.0%	64.0%	X
Knox County - Uniformed Officers		3,434,457	100.0%	84.6%	Х
Knoxyille Utilities		5,502,677	100.0%	94.6%	X
Maury Regional Medical Center		828,000	100.0%	91.0%	
Memphis City Schools		133,404	100.0%	62.9%	X
Paris Board of Public Utilities		1,461,000	100.0%	78.0%	Х
Smyrna		203,062	100.0%	87.0%	
Chattanooga	_	7,717,400	100.4%	88.5%	X
Alcoa		1,445,037	100.5%	58.0%	
Knoxville		20,682,720	101.0%	75.7%	X
Hallsdale-Powell Utility District	_	851,612	102.0%	60.9%	
Lexington		487,406	105.2%	80.9%	X
Bartlett		3,579,580	105.4%	75.2%	X
		-, , , , , , ,		/ 0	

		% ADC	Funded Ratio	Funding
Plan	ADC	Funded	(Actuarial Value)	Policy
Hamilton County Commissioner	63,454	106.2%	75.6%	
Lexington Electric System	671,883	107.2%	60.2%	
Metro Nashville - Davidson Co City Plan	6,650,683	108.6%	0.0%	
McMinnville Electric System	225,031	108.9%	80.5%	X
Lenoir City	315,040	109.0%	51.3%	x
West Knox Utiliity District	768,824	109.3%	51.5%	X
Collierville	2,485,308	111.0%	89.0%	
Metro Nashville - Davidson Co County Plan	1,413,489	111.2%	0.0%	
Knox-Chapman Utility District	488,536	111.7%	57.0%	X
Dyersburg Electric System	407,576	112.4%	67.2%	X
Bolivar Energy Authority	747,319	112.4%	72.7%	X
Shelbyville	824,4 76	124.1%	84.8%	 -
Le wisb urg	271,408	127.7%	63.8%	
Metro Nashville - Davidson Co Metro Education Plan	14,708,257	127.9%	31.3%	
Athens Utilities Board	794,813	130.2%	77.2%	X
Clinton Utilities Board	1,041,548	133.5%	59.4%	X
Sevier County Electric System	1 ,7 54,047	142.8%	62.7%	X
Lawrenceburg Utility Systems	410,943	151.8%	89.8%	X
Athens	555,625	181.8%	75.9%	X
Jellico Electric and Water Systems	47,696	185.9%	99.2%	
Murfreesboro Electric Department	634,528	189.1%	105.2%	X
Elk River Public Utility District	183,561	190.7%	86.4%	
Lenoir City Utility Board	1,033,028	265.3%	71.3%	
Metro Nashville Airport Authority	2,815,631	288.9%	70.0%	
Franklin	3,814,920	367.2%	95.2%	X
Farragut ——	14,346	1045.6%	71.8%	X

Report on Status of Funding Policy Submissions

Number of enties that have filed a funding policy meeting the minimum requirements established under TCA 9-3-504(c): 38

1 Athens

2 Athens Utilities Board

3 Bartlett

4 Bolivar Energy Authority

5 Chattanooga

6 Chattanooga Electric Power Board

7 Chattanooga Fire & Police 8 Clinton Utilities Board 9 Covington Electric System 10 Dyersburg Electric System

11 Erwin Utilities

12 Etowah Utilities Board

13 Farragut 14 Franklin

15 Germantown16 H.B & T.S.Utility District17 Jackson Energy Authority

18 Knox County - Board of Ed

19 Knox County - Disability Plan

20 Knox County - General

21 Knox County - Uniformed Officers22 Knox-Chapman Utility District

23 Knoxville

24 Knoxville Utilities

25 Lawrenceburg Utility Systems

26 Lenoir City 27 Lexington

28 McMinnville Electric System

29 Memphis

30 Memphis & Shelby Co. Library

31 Memphis City Schools

32 Murfreesboro

33 Murfreesboro Electric Department

34 Nashville Electric Service35 Paris Board of Public Utilities36 Sevier County Electric System

37 Shelby County

38 West Knox Utiliity District

Number of entities that have not filed a funding policy with the Comptroller of the Treasury: 33

1 Alcoa

2 Bruceton

3 CARTA (Disability and Retirement Plan)

4 CARTA (single employee plan)

5 Collierville6 Columbia7 Covington8 Dyersburg

9 Dyersburg City Schools (Non-Teachers)

10 Elk River Public Utility District
11 Gallatin Department of Electricity
12 Hallsdale-Powell Utility District
13 Hamilton County Commissioner
14 Hamilton County Employees
15 Hamilton County Teachers
16 Harriman Utility Board

17 Jasper

18 Jellico Electric and Water Systems

19 Lenoir City Utility Board

20 Lewisburg

21 Lewisburg Water Department
22 Lexington Electric System
23 Maury Regional Medical Center
24 Memphis Light, Gas & Water Division

25 Metro Nashville - Davidson Co. - City Education Plan

26 Metro Nashville - Davidson Co. - City Plan

27 Metro Nashville - Davidson Co. - County Education Plan

28 Metro Nashville - Davidson Co. - County Plan

29 Metro Nashville - Davidson Co. - Metro Education Plan

30 Metro Nashville - Davidson Co. - Metro Plan

31 Metro Nashville Airport Authority

32 Shelbyville

33 Smyrna